

# Annual Planning Information and Workforce Analysis Reports: Northeast Michigan

State of Michigan

Department of Technology, Management and Budget

Bureau of Labor Market Information and Strategic Initiatives

**Regional Contact:**

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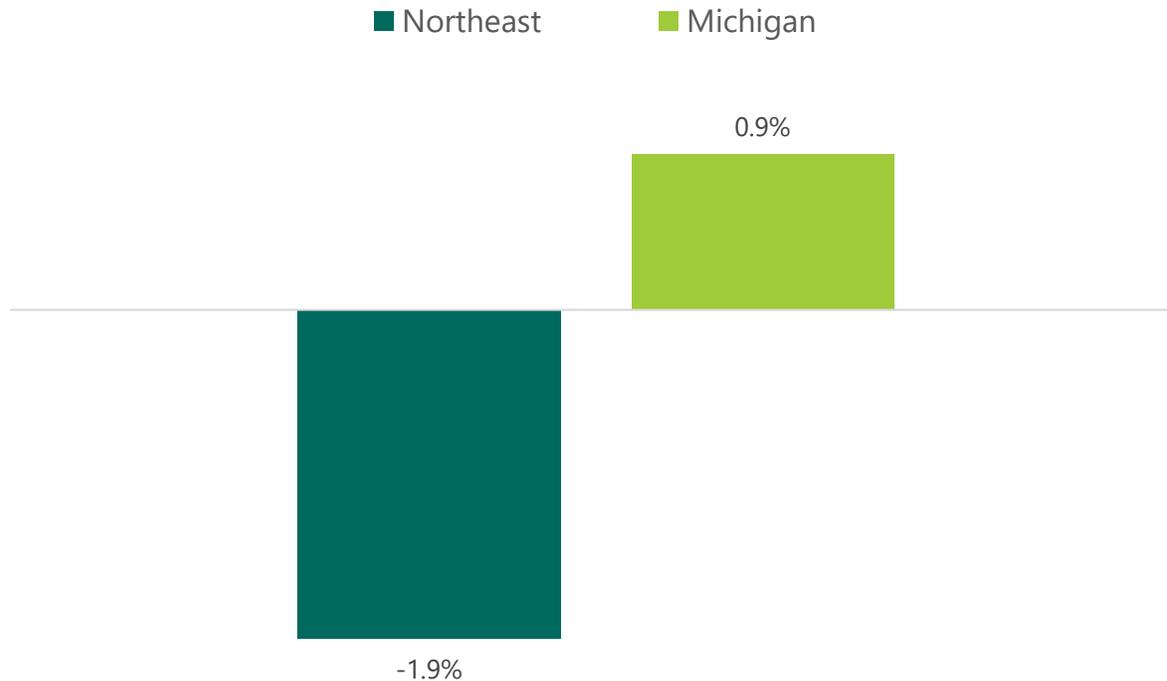
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# Population Trends and Characteristics

Tables 1-3

# Regional population down 1.9 percent between 2011 and 2017.

Population Change (2011-2017)



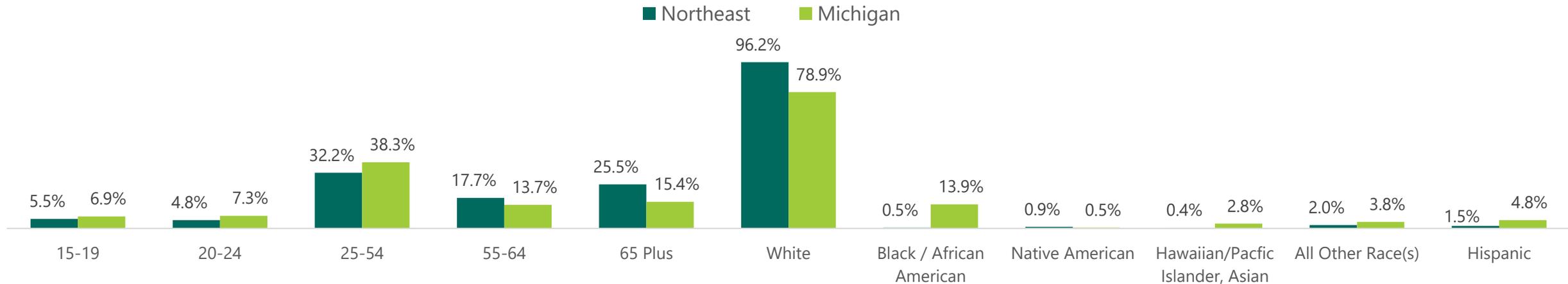
Source: U.S. Census Bureau, Annual Population Estimates

- According to the latest estimates from the U.S. Census Bureau, the population in Northeast Michigan was roughly 203,000 in 2017, staying even with 2015 levels, but slightly down from the 2013 population estimate of near 204,000. **(Table 1)**
- The region lost 1.9 percent of its population from 2011-2017, which stands out against the state's modest positive growth of 0.9 percent. This reduction equals 3,900 fewer residents in 2017 than in 2011. Nationwide, the population rose by 4.5 percent over this period. **(Table 1)**
- Otsego County was the lone county in Northeast Michigan to see more residents in 2017 than in 2011, up more than 440 persons or 1.8 percent.
- The largest total drop was recorded in Alpena County, which lost near 870 residents, or 3.1 percent of its population. Montmorency had the largest percentage reduction at 4.1 percent or near 380 residents. **(Table 1)**

# Northeast Michigan residents older than those in the state overall.

- The Northeast is notably older than the state of Michigan as a whole. Northeast Michigan shows lower percentages in the categories of 15-19 years old, 20-24 years old, and 25-54 years old. The region has higher percentages of 55-64 years old and 65 plus. **(Table 2)**
- During the 2012-2016 period, Northeast Michigan had more than 52,000 residents older than 65 years. This was one quarter of the total population. **(Table 2)**
- Northeast Michigan has remained overwhelmingly White with only around 7,700 of the 204,000 people estimated in other racial categories. **(Table 2)**

Population by Age, Race / Ethnicity

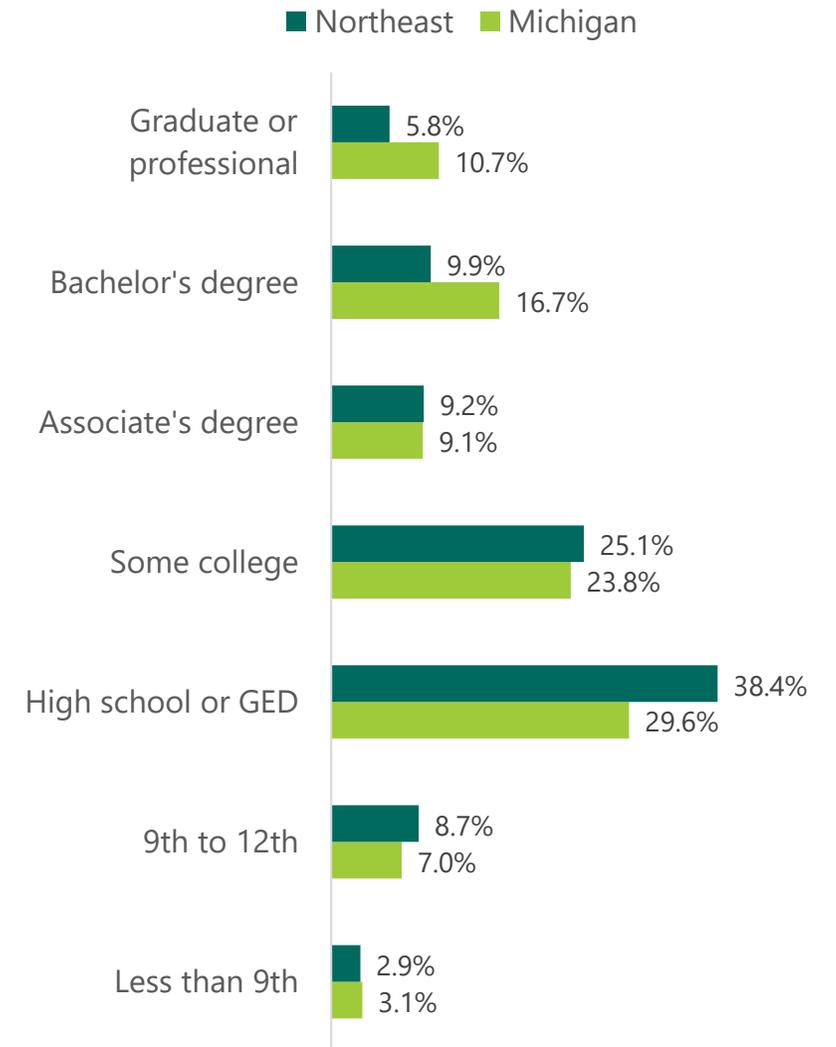


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

# *Northeast Michigan residents hold fewer bachelor's and advanced degrees than state average.*

- A region's educational attainment is based on the number of residents 25 and older with various education levels. In Northeast Michigan, there are fewer residents with a bachelor's degree or a graduate/professional degree than seen statewide, 16 percent (or about 24,300 residents) in the region compared to 27 percent statewide. **(Table 3)**
- Consequently, the proportion of residents of the region with a maximum of a high school diploma is higher than the statewide level, 50 percent (or near 76,900 residents) in the region compared to 40 percent statewide. **(Table 3)**

## Educational Attainment

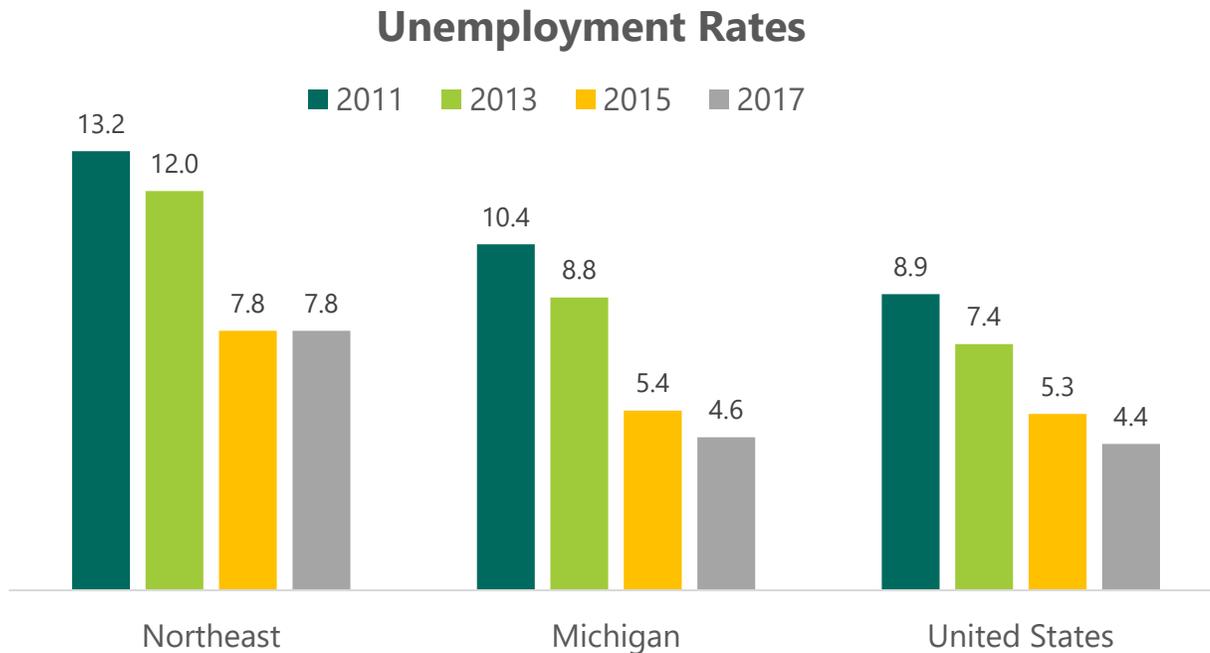


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

# Labor Force and Employment Trends and Characteristics

Tables 4-7 and 12

## Regional jobless rates consistently higher than state and nation.



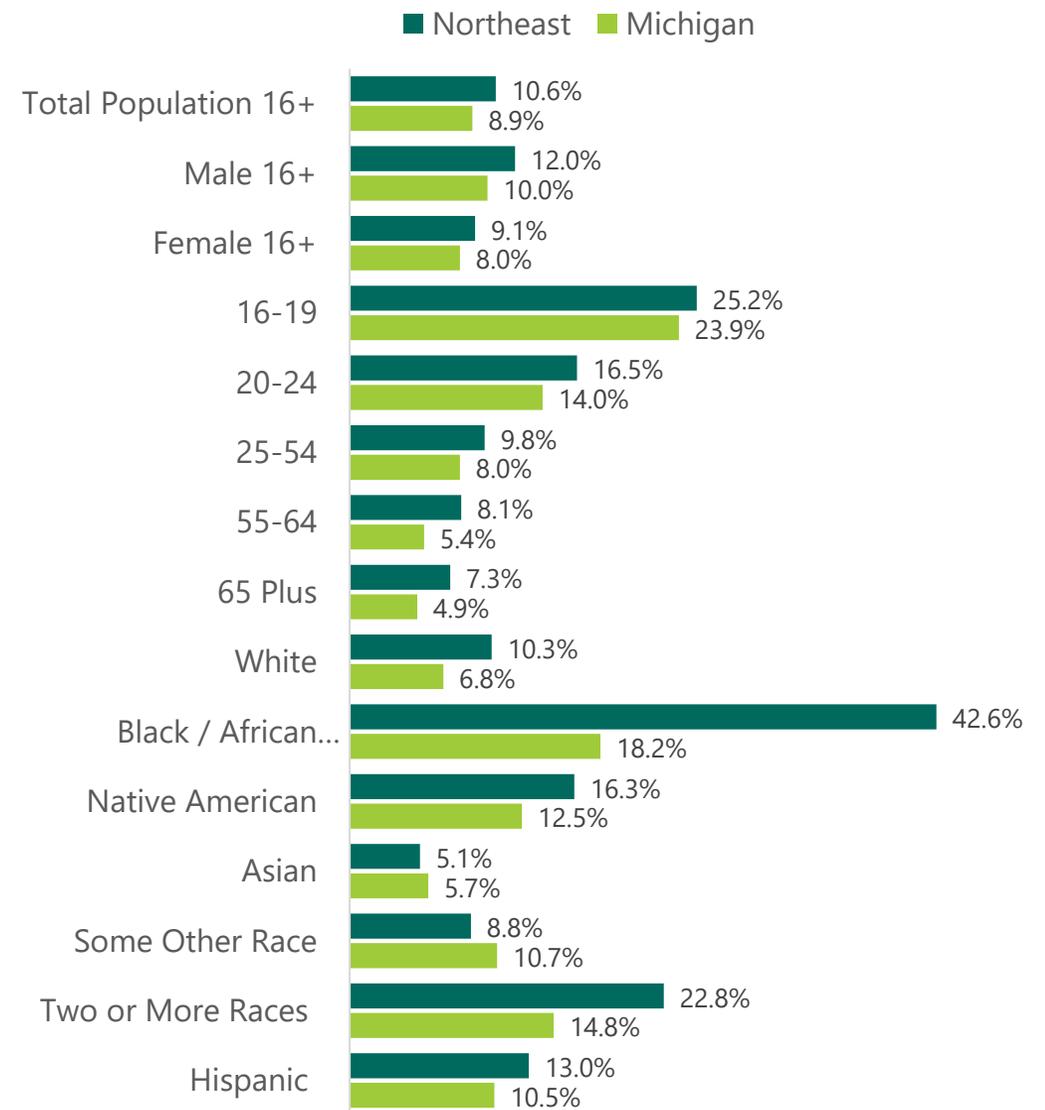
Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Local Area Unemployment Statistics (LAUS)

- The unemployment rate in Northeast Michigan followed state and national trends, dropping significantly between 2011 and 2017. **(Table 6)**
- Over that period, the jobless rate fell by 5.4 percentage points and the count of unemployed individuals dropped by 4,700, or 42 percent, in Northeast Michigan. **(Tables 6 and 12)**
- Labor force and employment counts both have been on the rise recently. Labor force numbers in 2017 still are lower than 2011 while notably employment numbers are up from 2011. **(Tables 4 and 5)**
- In Northeast Michigan, employment counts were 3,000 higher in 2017 (76,500) than 2011 (73,500). This equals an increase of 4.1 percent. **(Table 5)**

# Jobless rates elevated for youth as well as many minority groups across the region.

- According to estimates from the U. S. Census Bureau, there were more males than females participating in the labor market in Northeast Michigan. Also, males experienced a higher unemployment rate at 12 percent, compared to 9 percent for females. **(Table 7)**
- Minority groups in the area have such extremely small labor force counts that even a small change can vastly impact unemployment rates.**(Table 7)**
- African American, Native American, Two or More Races, and Hispanics all had higher unemployment rates in the Northeast region than across the state. Unemployment rates for Asian and Some Other Races were lower. **(Table 7)**
- Regardless of their relative difference to statewide levels, many minority groups still experience jobless rates above regional rate. **(Table 7)**
- Over recent years nearly every segment of the population has had unemployment rates drop or hold steady. **(Table 7)**

## Unemployment Rates by Sex, Age, and Race / Ethnicity



Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

# Individuals with Barriers to Employment

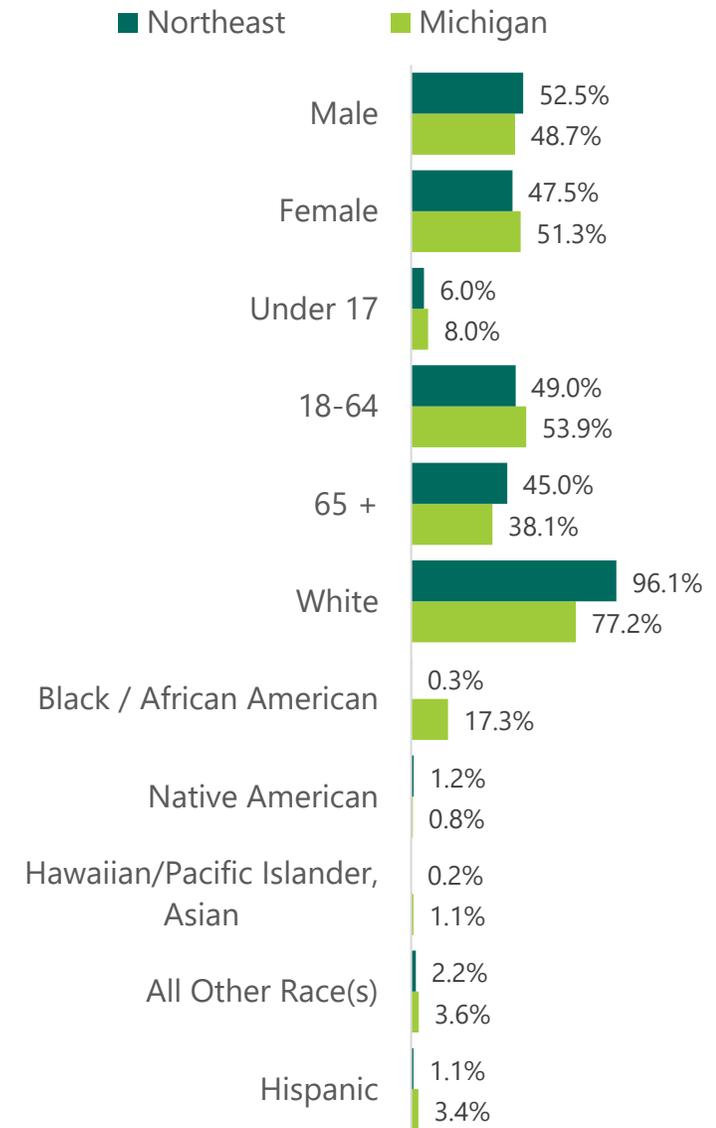
Tables 28-36

# Individuals with a disability see higher jobless rates and lower labor force participation.

- According to the U.S. Census Bureau, about 42,800 people in Northeast Michigan report a disability. Roughly 45 percent of them were 65 years of age and older. The individuals with disabilities in Northeast Michigan were nearly all white (96 percent), a reflection of the group's 96 percent share of total population in the region. **(Table 28)**
- Two labor market metrics highlight the challenges faced by people with disabilities in the statewide labor market: labor force participation rates and unemployment rates. At just 25 percent, participation among individuals with disabilities is lower than that for those with no disability (69 percent) in Michigan. When active in the labor market, individuals with disabilities face higher joblessness, with unemployment rates measuring 12.6 percent, more than double the 5.7 percent reported for those with no disability statewide.

**(Unified State Plan)**

## Individuals with a Disability

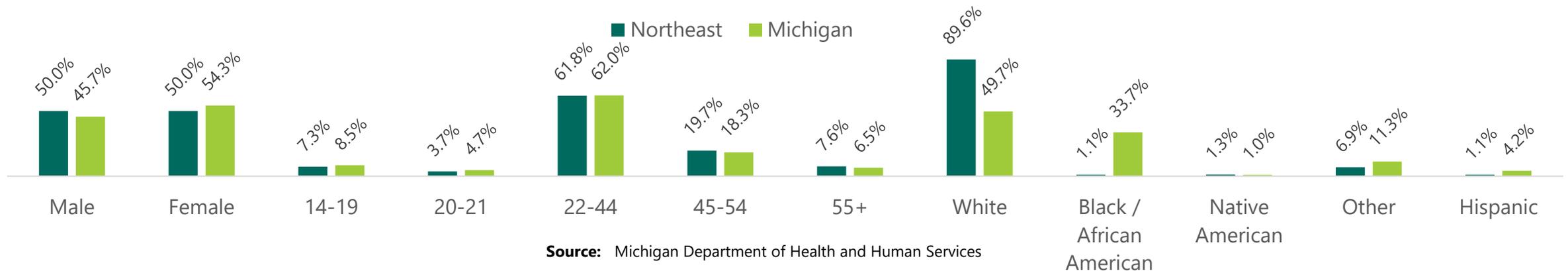


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

# Assistance program recipients concentrated in the working ages and white demographics.

- According to the Michigan Department of Health and Human Services, there were about 9,800 assistance registrants in Northeast Michigan counties in June 2017. **(Table 30)**
- The majority of the assistance registrants were in the prime working age of 22 to 44 (about 62 percent). **(Table 30)**
- Around 90 percent of the registrants were White and just one percent were African American, differing significantly from the statewide average. **(Table 30)**

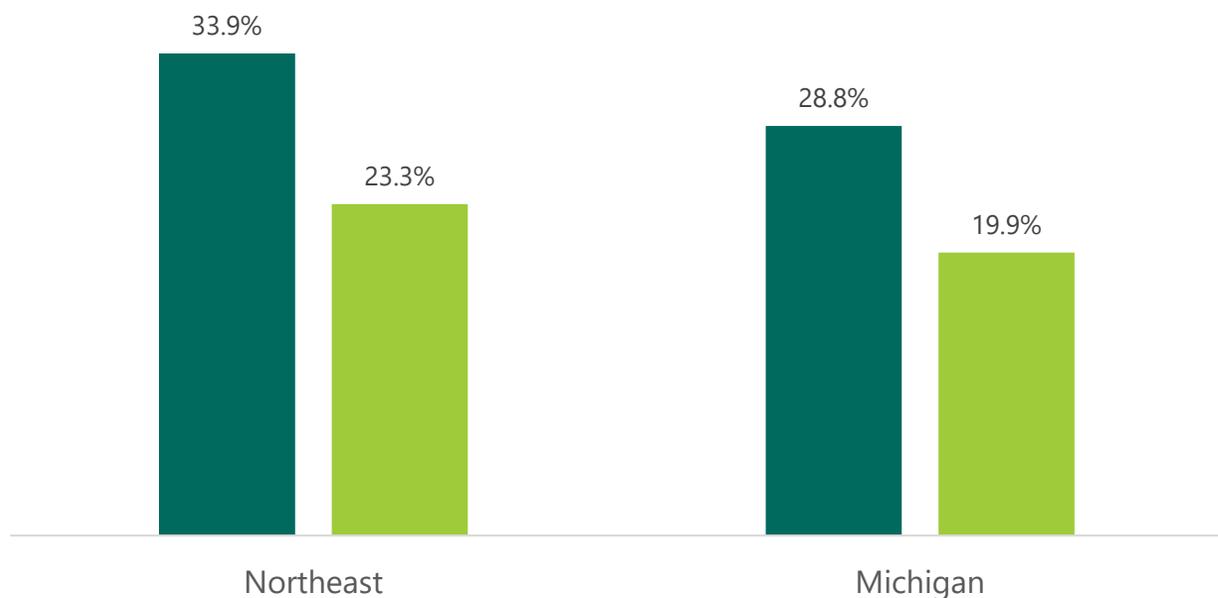
Assistance Program Recipients by Sex, Age, and Race / Ethnicity



# Long-term joblessness in Northeast Michigan above statewide average.

Percentage Long-Term Unemployed of Total Unemployed

■ 2015 ■ 2017

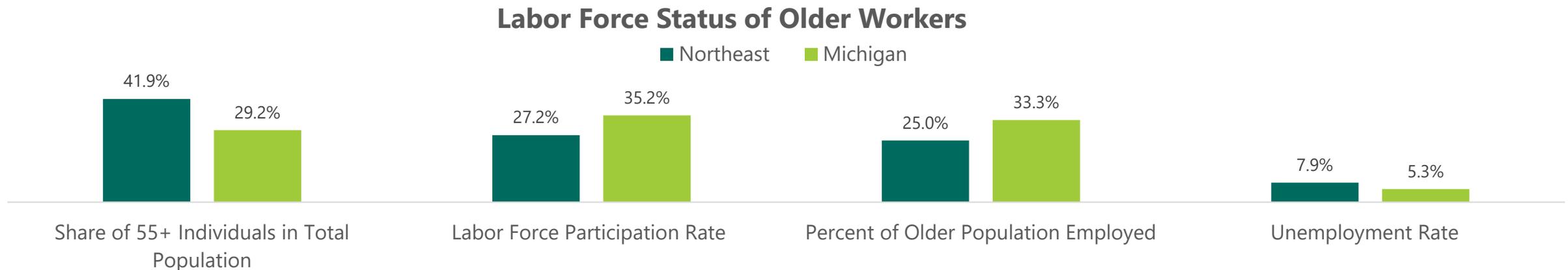


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives

- Long-term unemployment remains an issue in Michigan and in the Northeast region, as the number and share of those out of work for 27 weeks or more has remained stubbornly high despite the labor market recovery.
- In 2010 the long term unemployed as a percent of total unemployed was near 50 percent across the state and 49 percent in Northeast Michigan. These numbers have drastically declined since the recession. **(Table 34)**
- The number of long-term unemployed individuals in Northeast Michigan has followed the statewide trend, but has not shown as strong of a recovery. In 2015, 2,200 individuals or 34 percent of all unemployed were long-term unemployed. Currently, Northeast Michigan has around 1,500 or 23 percent long-term unemployed. **(Table 34)**
- Northeast Michigan has the second highest percentage of long-term unemployed in any of the 10 prosperity regions only ahead of Detroit Metro. **(Table 34)**

# Northeast Michigan older workers see higher unemployment rate than statewide and lower labor force participation rate.

- The number of older individuals, defined as those 55 years old and above, as a share of total population is significantly higher than in the state. **(Table 35)**
- In Northeast Michigan, the labor force participation rate of this group during 2012-2016 was estimated at 27 percent. Of the nearly 85,000 people in this category, 23,100 took part in the labor force. **(Table 35)**
- In this group, roughly 21,300 people were employed while the remaining 1,800 were unemployed. Older workers had an unemployment rate of 7.9 percent, which is only slightly higher than the entire region at 7.3 percent. **(Table 35)**

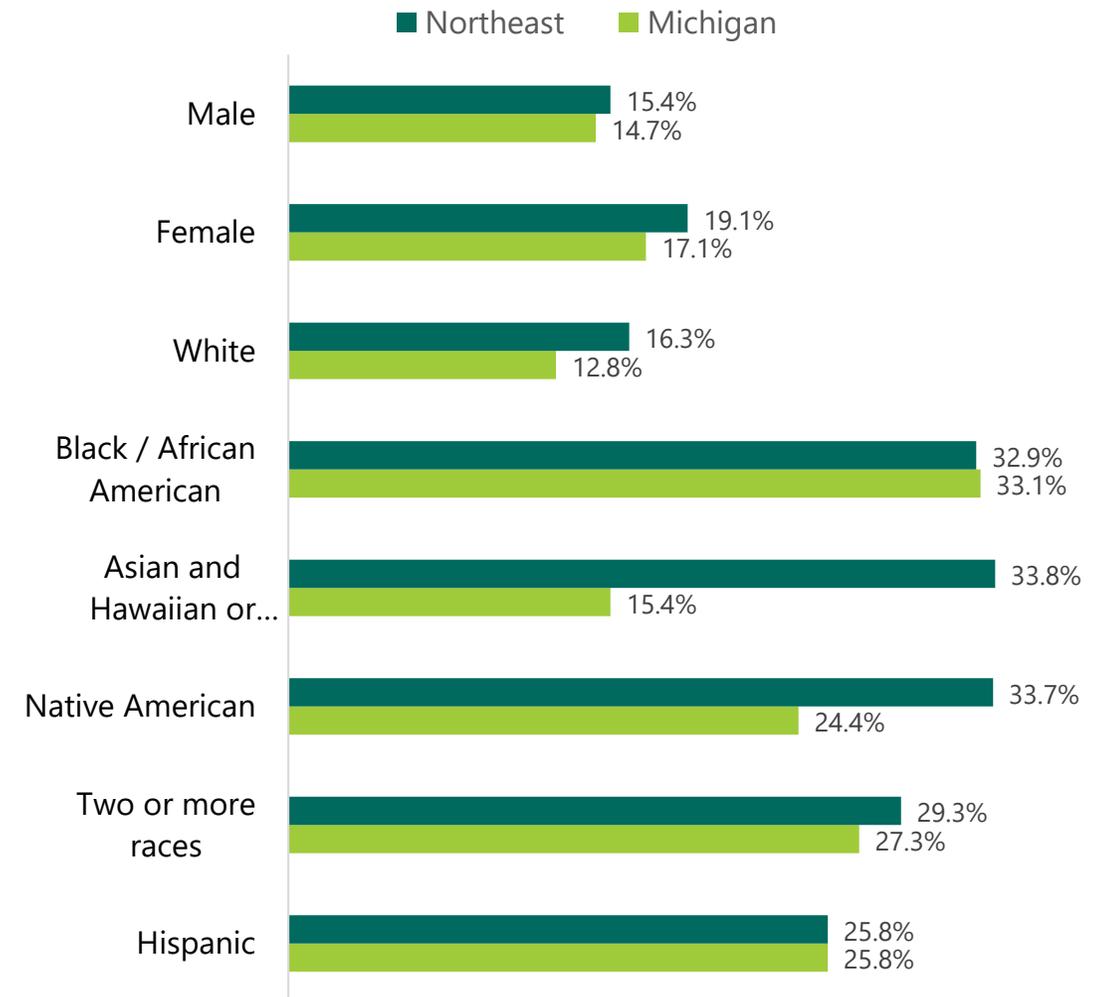


Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

# Poverty rate at 17 percent in Northeast Michigan, slightly above statewide rate.

- In 2016, the U. S. Census Bureau estimated that 35,200 individuals (or 17.2 percent of the population) lived below the poverty line in Northeast Michigan. That is almost one percent above the state poverty rate of 16.3 percent. **(Table 36)**
- Roughly between one in three and one in four of all nonwhite individuals live below the poverty line in Northeast Michigan. Furthermore, White residents of the region registered a poverty rate just below the statewide total; about one in six White residents of Northeast Michigan are living below the poverty line. **(Table 36)**
- The share of women living in poverty is slightly higher than that of men in the Northeast as well as across the state. **(Table 36)**

## Poverty by Sex and Race / Ethnicity



Source: U.S. Bureau of the Census, 2012-2016 American Community Survey Five-Year Estimates

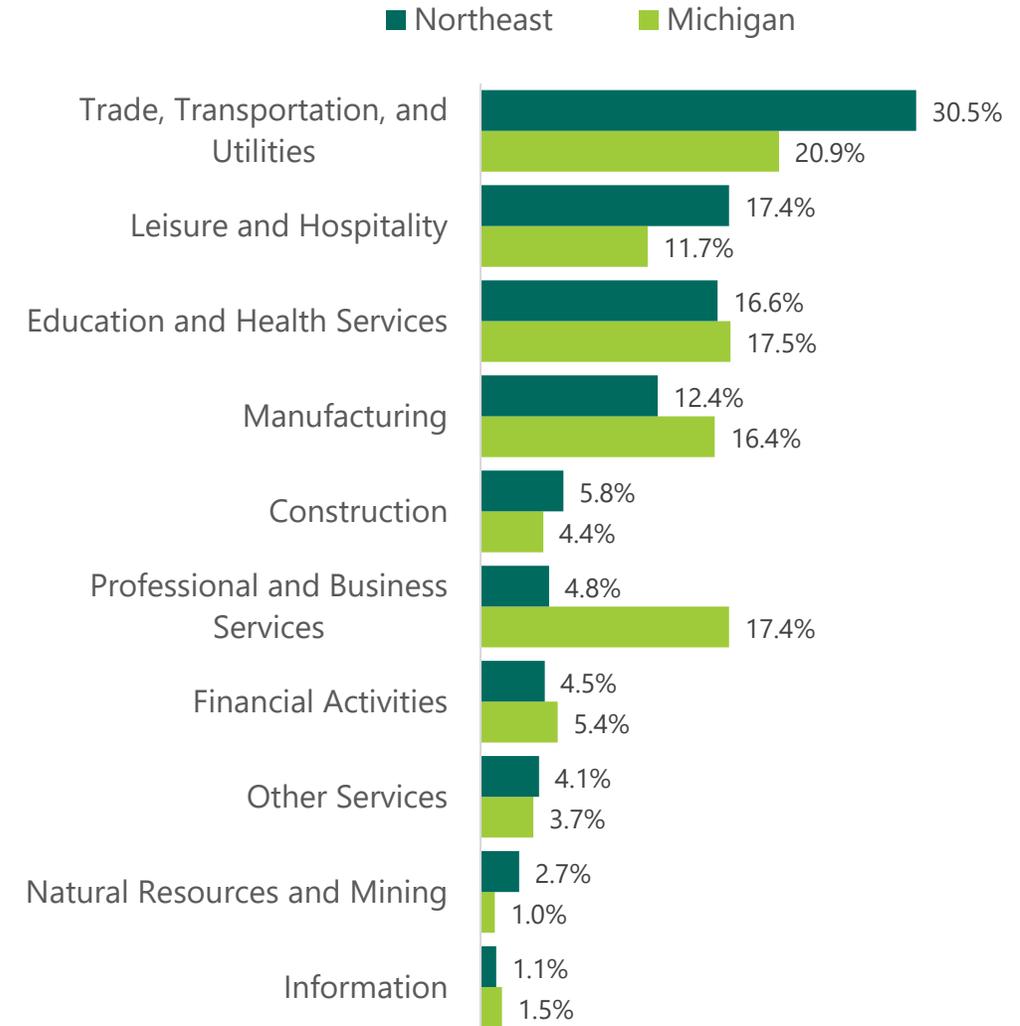
# Existing and Emerging In-Demand Industry Sectors and Occupations

Tables 8-11 and 17-26

# Nearly 50 percent of regional employment concentrated in top two industries.

- In the 2<sup>nd</sup> quarter of 2017, *Trade, transportation, and utilities* was the region's largest industry by a wide margin, employing 30 percent of the region's workers. **(Table 8)**
- After *Trade, transportation, and utilities*, the region's largest industries are *Leisure and hospitality*, *Education and health services*, and *Manufacturing*. **(Table 8)**
- While the 2<sup>nd</sup> quarter is used for analysis here because it is the least-affected quarter by seasonal patterns, seasonal ebbs and flows are an especially strong force on regional industry employment, varying employment in *Leisure and hospitality* and other important industries widely throughout the year. **(Table 8)**

## Distribution of Industry Jobs, 2<sup>nd</sup> Quarter 2017

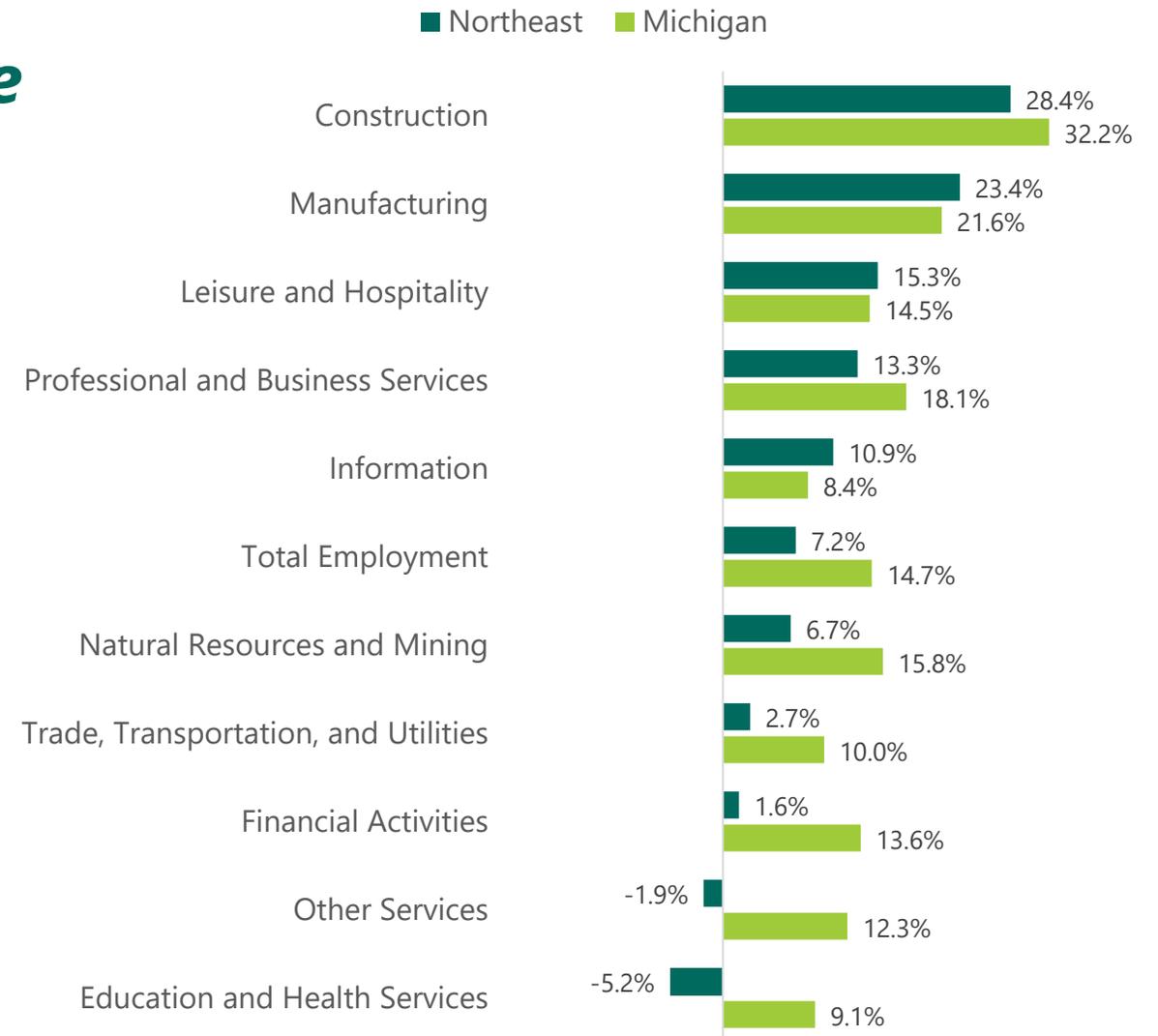


Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

# Manufacturing job additions outpace statewide growth and drive total job gains.

- Northeast Michigan saw private sector jobs expand by nearly 3,300 or 7.2 percent since 2011, fueled by a 1,200 job expansion in *Manufacturing* along with gains in *Trade, transportation, and utilities, Construction, and Leisure and hospitality*. Statewide, private payrolls grew by 480,500 or 15 percent during the same period. **(Table 8)**
- Gains in these industries were slightly offset by a drop of 450 jobs or 5.2 percent in *Education and health services* from 2011-2017. This industry is heavily tied to the youth demographic and its decline is likely tied to the region's older population. **(Table 8)**

## Private Sector Job Trends



Source: DTMB, Bureau of Labor Market Information and Strategic Initiatives, Quarterly Census of Employment and Wages (QCEW)

# Online job postings reach nearly 1,800 in 2<sup>nd</sup> Quarter 2017.

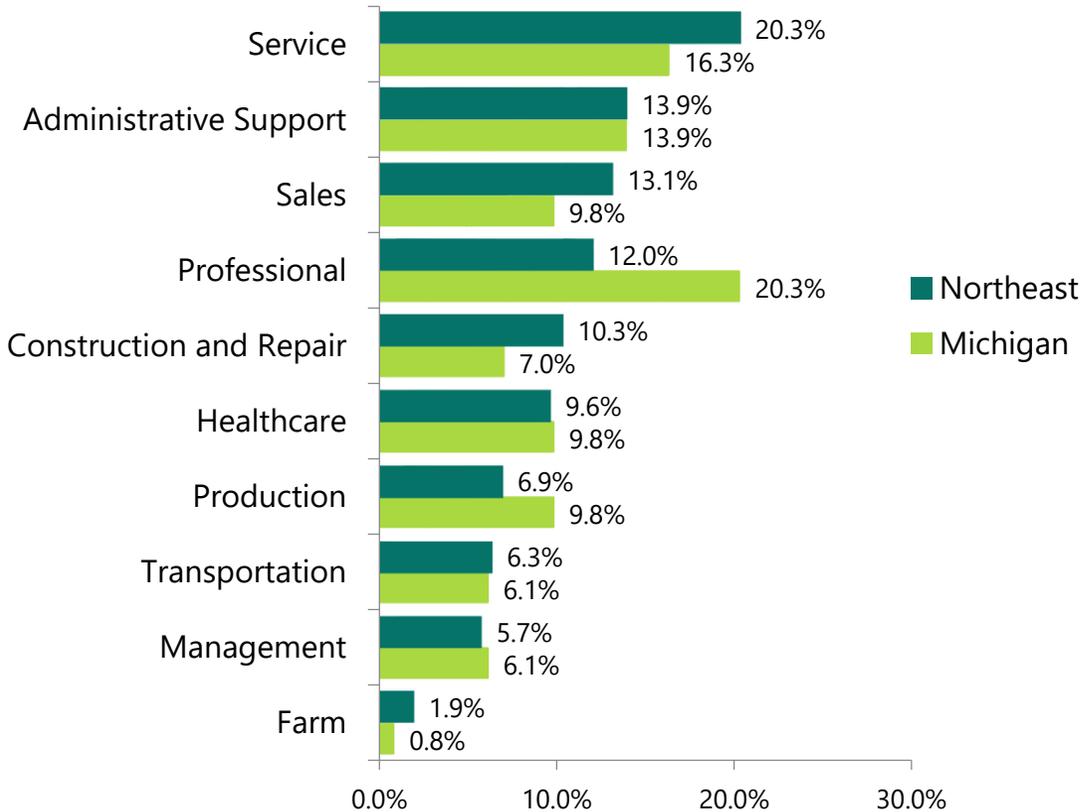
Online Advertised Job Postings - Northeast Michigan	
Job Title	Number
Registered Nurses	88
Retail Salespersons	54
First-Line Supervisors of Retail Sales Workers	50
Maintenance and Repair Workers, General	42
First-Line Supervisors of Food Preparation and Ser	40
Customer Service Representatives	35
Licensed Practical and Licensed Vocational Nurses	33
Social and Human Service Assistants	29
Laborers and Freight, Stock, and Material Movers,	26
Heavy and Tractor-Trailer Truck Drivers	24

Source: The Conference Board, Help Wanted Online Database

- In the 2<sup>nd</sup> quarter of 2017, there were 1,800 online advertised job postings in Northeast Michigan, according to the Conference Board’s Help Wanted Online Database. **(Table 17)**
- Job advertisements in the region were led by *Healthcare* occupations, where employers often post many ads for in-demand positions such as *Registered nurses* and *Physical therapists*. **(Tables 17 and 18)**
- *Healthcare occupations* made up roughly 22 percent of all ads posted during this time period. *Healthcare practitioners* occupations made up around 15 percent while 6 percent were *Healthcare support*. **(Table 17)**

# Little change expected in mix of Northeast Michigan's largest occupations.

Projected 2024 Distribution of Jobs by Broad Occupational Groups



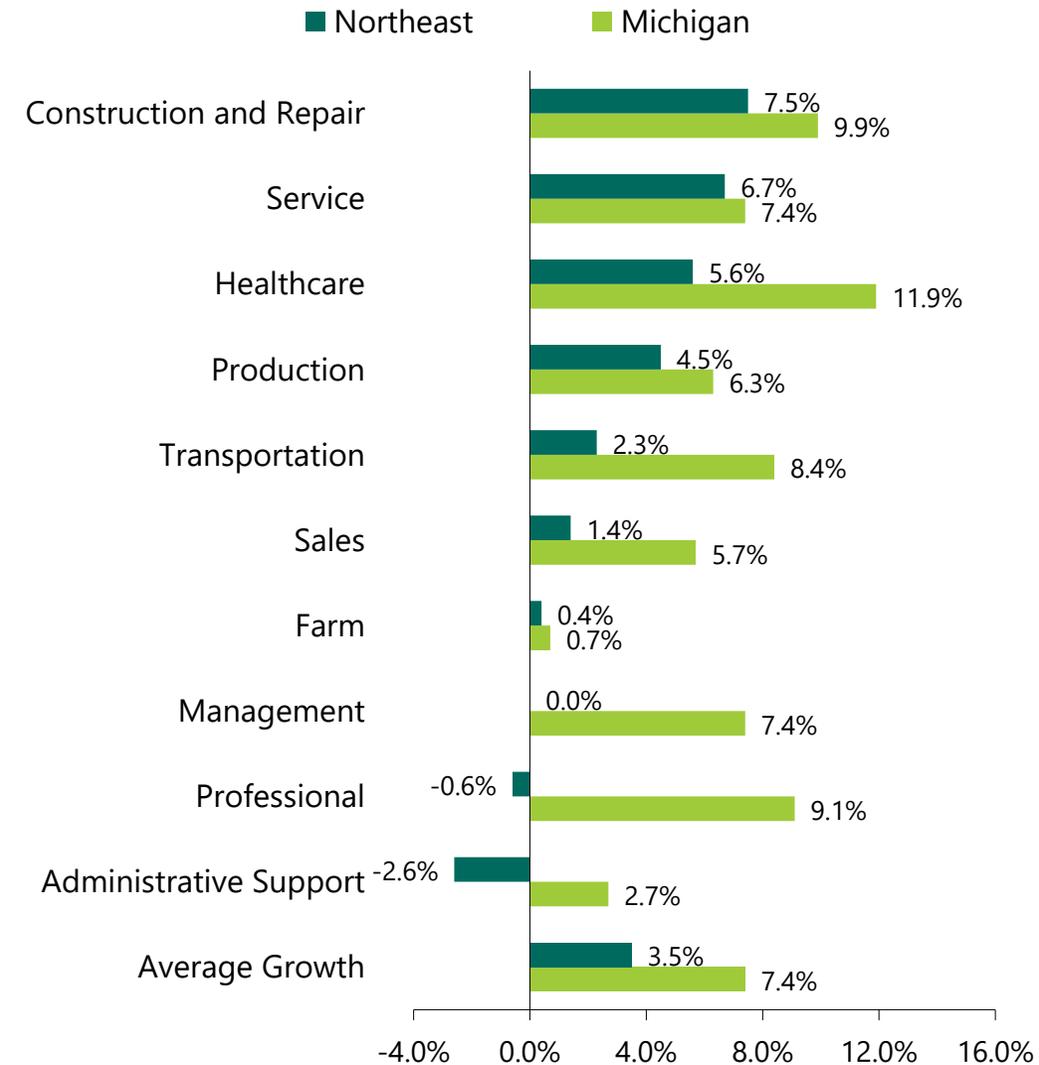
Source: Bureau of Labor Market Information and Strategic Initiatives

- In general, the share of total employment for occupation groups in 2014 and 2024 are expected to change little, with currently-large groups expected to remain on top by share of total employment. **(Table 19)**
- At 20 percent, *Service* occupations are the largest occupational category in terms of projected total jobs in 2024. This group includes occupations in *Protective services*, *Food preparation and service*, *Building and grounds cleaning and maintenance*, and *Personal care services*. **(Table 19)**
- The *Administrative support* group is projected to remain the second-largest in Northeast Michigan with 14 percent of total jobs. This category includes positions such as *Bookkeeping, accounting, and auditing clerks*, *Billing and posting clerks*, and *Secretaries and administrative assistants*. **(Table 19)**
- *Sales* occupations are projected to contribute 13 percent of the region's employment. They will comprise more than 3 percentage points beyond the Michigan average for *Sales* occupations, which are projected to be 9.8 percent of Michigan's workforce in 2024. **(Table 19)**
- The most notable difference between the Michigan share of jobs and the regional share can be found in the *Professional* occupational group. In Northeast Michigan, this group is projected to comprise 12 percent of the regional workforce compared to 20 percent statewide. This is reflected in the fact that there are fewer opportunities in the region for individuals with a bachelor's degree or higher. **(Table 19)**

# Construction, Service, and Healthcare occupations projected to have highest percent growth through 2024.

- Employment in all occupational groups in Northeast Michigan are projected to grow below the statewide average through 2024. In a notable deviation from the state, opportunities in *Professional* occupations in the region are projected to contract through 2024.
- Three broad groups of occupations are expected to create nearly 1,700 new jobs in Northeast Michigan. **(Table 19)**
  - *Construction and repair* will contribute about 490 new jobs (or 7.5 percent growth). This group encompasses not only *Construction laborers* but also *Electricians, Powerline repairers, Plumbers*, and many other generally defined specialty trade contractors.
  - Equally important is the *Healthcare* occupational group, which is projected to add 340 new jobs (or 6.7 percent growth). The new jobs will include *Healthcare practitioners and technical* occupations such as *Physical therapists, Registered nurses* and *Physician assistants* as well as support staff such as *Home health aides*.
  - *Service* is the largest group in the region as well as the group projected to gain the most new jobs, up 860 jobs or 6.7 percent through 2024. This group includes many occupations in the hotel, recreation, and restaurant industries which are predominant in Northeast Michigan.

Projected Percent Growth by Broad Occupational Groups (2014-2024)

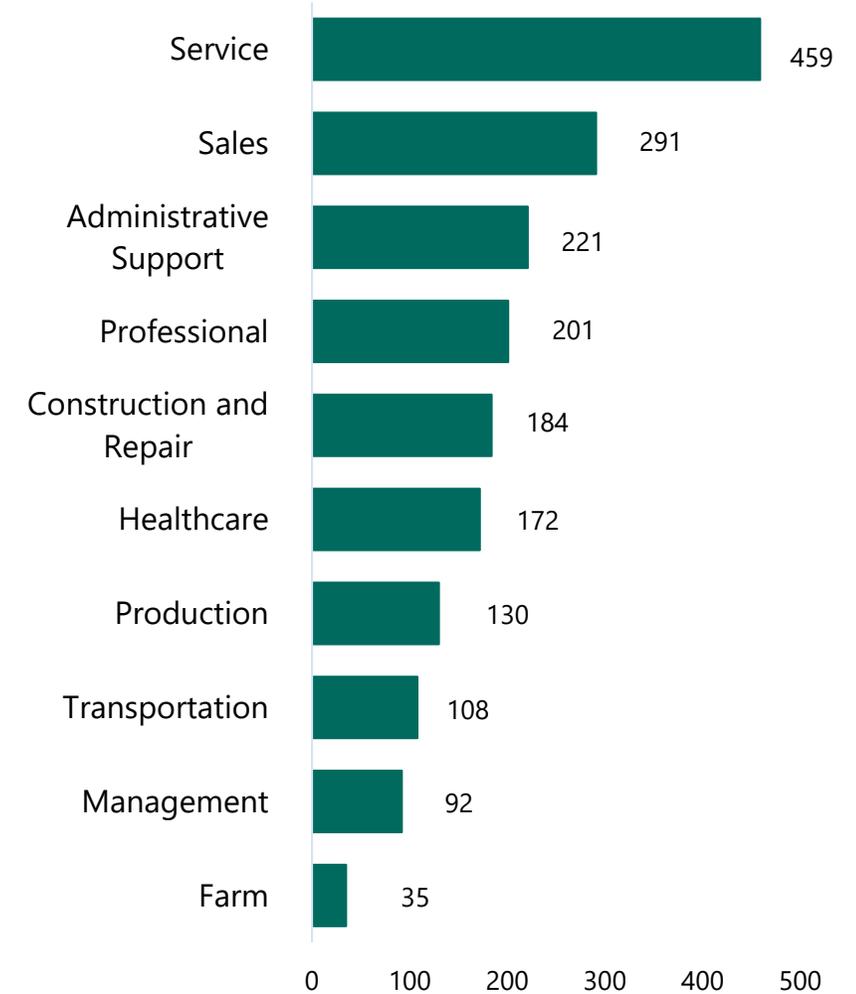


Source: Bureau of Labor Market Information and Strategic Initiatives

## *Need for replacement workers drive largest occupations to top positions by annual openings.*

- Due in part to the need to replace workers who are retiring or otherwise leaving the occupation in the area, the largest groups are projected to see the most annual openings through 2024. **(Table 20)**
- *Service* occupations, the largest occupational group in the region, are expected to see the highest number of annual openings. Although most of this occupation's annual openings – 80 percent – will come from the need to replace workers, this is slightly below the regional average of 85 percent of openings due to replacement. **(Table 20)**
- Conversely, 29 percent of the 184 annual openings in the *Construction and repair* occupational group will come from newly-created positions. This is nearly double the regional average of 15 percent. **(Table 20)**

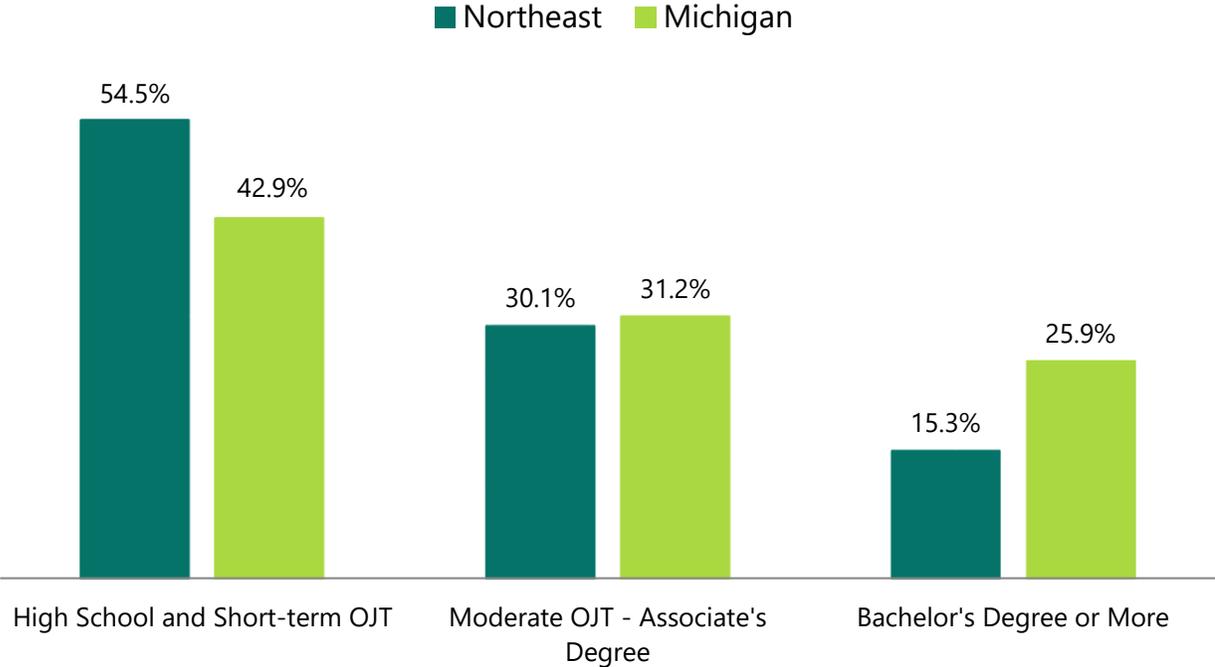
**Projected Annual Openings by Broad Occupational Groups (2014 – 2024)**



**Source:** Bureau of Labor Market Information and Strategic Initiatives

# Jobs in Northeast Michigan projected to require less education on average than statewide.

Projected 2024 Occupational Employment by Education (Share of Total)

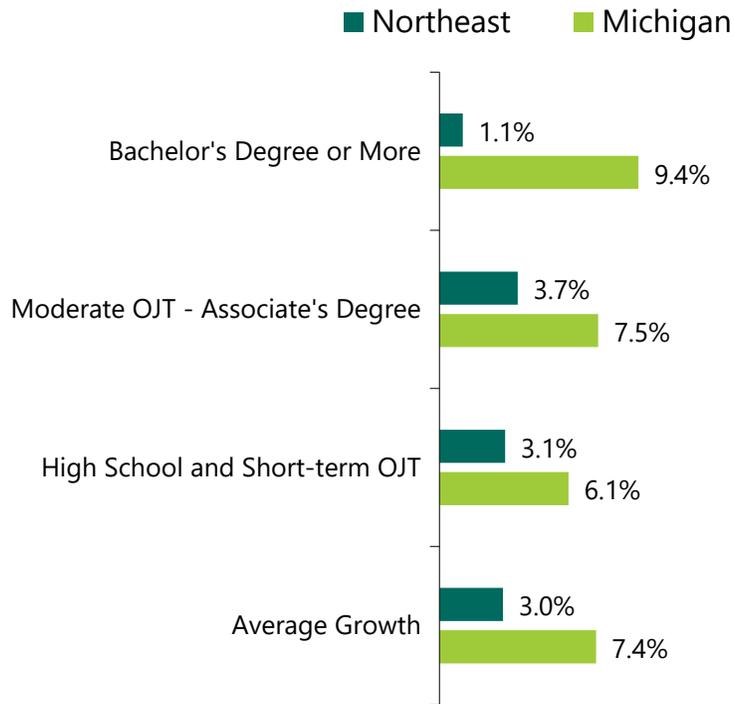


Source: Bureau of Labor Market Information and Strategic Initiatives

- Between 2014 and 2024, the regional distribution of jobs by required education and training is projected to remain virtually unchanged.
- In 2024, over 50 percent of Northeast Michigan jobs will still need only a high school diploma or less, with short-term to no on-the-job training. These occupations have a large employment base and will have many positions available annually through the relatively high need to replace workers.
- Nearly a third of the area’s jobs will require an associate’s degree, a post-secondary training, some college with no degree, or a high school diploma or less accompanied with an extended period (six months or more) of apprenticeship and/or on-the-job training. Many *Healthcare* and *Construction and repair* careers are in this group and provide prospective trainees with opportunities for increased demand and high wages relative to required training through 2024.
- Positions requiring a bachelor’s degree or more are projected to comprise only one in seven regional jobs in 2024, unchanged from 2014. There are many high-demand, high-wage occupations in this group to pursue such as *Physical therapists*, *Medical and health service managers*, and *Construction managers*.

# Positions requiring between moderate OJT and associate's degree projected to exceed regional growth.

Projected 2024 Occupational Growth by Education



Source: Bureau of Labor Market Information and Strategic Initiatives

- Occupations requiring between moderate OJT and an associate's degree are projected to exceed the regional average growth rate through 2024, expanding by 650 positions or 3.7 percent over the period, contrasting with the statewide average, where occupations requiring at least a bachelor's degree expect the largest percentage growth. This group contains many of the fastest-growing regional occupations such as *Registered nurses*, *Machinists*, and *Electricians*.
- Positions requiring at most short-term on-the-job training are projected to grow at a rate roughly equal to the regional average through 2024. This category includes many of the *Service* occupations important to the regional tourism economy.
- Occupations that require a bachelor's degree or more in the region are projected to have a low growth rate through 2024, especially when compared to the projected statewide growth rate of 9.4 percent. Despite low growth, there are still high-paying positions available and over 220 annual openings per year in occupations requiring this level of education.

## Many jobs requiring post-secondary education among the region's high-demand, high-wage occupations.

- High-demand, high-wage occupations are jobs that demonstrate a favorable mix of long-term job growth, annual openings from both growth and replacement, and median wages. **(Table 23)**
- In general, occupations with a large employment base create many job openings due to the need to replace workers (size of the bubble on the chart). These include *Registered nurses, Machinists, and General and operations managers*.
- Levels of pay are linked with the level of formal education and/or the length of job training or apprenticeship, driving a trend of higher-training occupations appearing on the list of high-demand, high-wage occupations. **(Tables 23-26)**

### Annual Openings, Growth Rate, and Hourly Wage for High-Demand, High-Wage Occupations



	Occupation		Occupation
A	Accountants and Auditors	F	Occupational Therapists
B	General and Operations Managers	G	Physical Therapists
C	Insurance Sales Agents	H	Physician Assistants
D	Machinists	I	Registered Nurses
E	Mechanical Engineers	J	Sales Rep., Wholesale & Manufacturing, Except Tech

Source: Bureau of Labor Market Information and Strategic Initiatives

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